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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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801-538-5340

November 10, 1988

Mr. Mark F. Lindsey
The Native Asphalt Company
University Club Building, Suite 1750
136 East South Temple
Salt Lake City, Utah 84111

Dear Mr. Lindsey:

Re: SMO Filing, Cameron #1 and Enterprise #5, DOE/047/026, and
DOE/047/027, Uintah County, Utah

Thank you for your letter of November 1, 1988, informing us of your understanding of the status of the above sites. You are correct in the belief that Native Asphalt has followed the regulatory requirements for the development of these sites, and we apologize for any misunderstanding.

Our rules have not officially changed as yet, however, we are asking for Small Operators Notice of Intent when we run across active operations. We base this request on the Mined Land Reclamation Statute, which has been changed since the first quarter of 1986. The statute now removes DOE's from any further consideration and requires that all mining operations file an NOI with this office. The cutoff requirement for bonding under the amended statute is 5 acres.

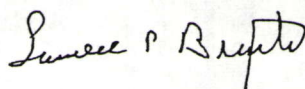
Because your site, in proximity of the old Standard Oil Asphalt Ridge Mine, has been recently active we will require you to file an NOI with us. The nature of the activity falls more under the category of mining than exploration so an SMO application would be the appropriate form to use.

We are concerned about the impacts to the riparian area and perennial stream, that the mine development has created. We are glad to hear that Native Asphalt will be mitigating these impacts in the near future. Native Asphalt will be held responsible for the final reclamation of this site, so it would be prudent to take the necessary steps as mining proceeds to ensure successful reclamation of the site, (eg. topsoil salvage).

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Mark F. Lindsay
Native Asphalt Company
DOE/047/026 and DOE/047/027
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If you would like, a member or members of the Division staff will meet with you at the site, or at this office, to discuss permitting or reclamation. Please contact me again if you have any further questions.

Sincerely,



Lowell P. Braxton
Administrator
Minerals Resource and
Development Program

jb
cc: H. Shepherd
S. Johnson
MN5/41-42